

CORPORATION

# Georgia Income Tax

## Forms for 2002

### and General Instructions



#### FROM THE COMMISSIONER

This booklet is designed to provide information and assist corporations in filing their Georgia corporate tax returns. On Page 2 is a "New Information" section that I recommend you review to determine if the changes affect your return.

This booklet contains the forms and schedules required by most corporations. If you need additional forms or copies of forms, we encourage you to visit our web site at **[www.gatax.org](http://www.gatax.org)**. There you can download forms and always obtain up-to-date tax information and news from the Department of Revenue. Forms are also available via fax-on-demand at 404-417-6011.

Our mission and commitment is to serve Georgia's taxpayers in a prompt, courteous and professional manner and to effectively and fairly administer the State's tax laws. We welcome your comments and suggestions on how to more effectively accomplish this mission.

**T. JERRY JACKSON**  
Commissioner

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## NEW INFORMATION

### Federal Tax Changes

**Economic Growth and Tax Relief Reconciliation Act of 2001.** Georgia has adopted the provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 which was enacted by the Federal government during the summer of 2001.

### **Job Creation and Worker Assistance Act of 2002.**

Georgia has not adopted this act. Accordingly, adjustments must be made to the Georgia return for any of the items included in this act. The first major item that was changed is the net operating loss carry-back period. Georgia will continue to use the two year carry-back (with special rules for farmers and casualty losses) as provided under the old Federal law. The second major change was the 30% bonus depreciation in the first year for certain types of property. The 30% bonus depreciation should be handled as follows:

A. The JCWA Act allows a 30% bonus depreciation in the first year for certain types of property. Accordingly, depreciation must be computed one way for Federal purposes and another way for Georgia purposes. To compute depreciation for Federal purposes, taxpayers should use the 2002 IRS Form 4562 and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 4, Line 5 along with the words "2002 JCWA Act Depreciation Adjustment".

B. Depreciation must also be computed for Georgia purposes. Taxpayers should use the Georgia Form 4562 (see note below) to compute depreciation for Georgia purposes and attach it to the Georgia return. This amount should be entered on Page 2, Schedule 5, Line 2 along with the words "2002 JCWA Act Depreciation Adjustment".

Note: The Georgia Form 4562 is the first version of the 2001 Federal form. This does not include the 30% bonus depreciation. The top of each form should be labeled "Georgia Form 4562". This form and the related instructions can be obtained from our website at [www.gatax.org](http://www.gatax.org) or from any Revenue Office.

Additionally, the 30% bonus depreciation will affect the calculation of gain when the property is sold.

### 2002 Legislation

The following bills that relate to corporations were passed by the 2002 Georgia Legislature:

**Zero Emission Tax Credit - House Bills 1389 and 1439** (O.C.G.A. §48-7-40.16) These bills represent changes to the current law granting a Zero Emission Tax Credit. The bills define a "low speed vehicle", create a mechanism for special tags and titles for the "low speed vehicles," and establish rules of the road for the vehicles. Clarification is provided that a "low speed vehicle" does not qualify for the Zero Emission Tax Credit. However, the law creates a window of opportunity for claiming the Zero Emission Tax Credit for the owner of a "low speed vehicle" who purchased or leased such vehicle and was able to place it in service during the 2001 calendar year. These bills took effect when the Governor signed them on April 25, 2002.

**Technical Corrections - House Bill 1434** (O.C.G.A. §48-7-31.1 and §48-7-40.22) **The major corporate income tax provisions of this bill are listed below.**

1. Changes O.C.G.A. §48-7-31.1 (Conditions for allocating taxpayer's income pursuant to agreement) by specifying which records are public records open for inspection and provides criteria for determining whether a proposal has significant economic benefit on the region for which it is planned.
2. Changes O.C.G.A. §48-7-40.22 (Credit to business enterprises for leased motor vehicles) by:
  - a) Defining a motor vehicle.
  - b) Clarifying that each vehicle for which a credit is claimed must have an average daily ridership of not less than four employees for an entire taxable year.
  - c) Clarifying that if the Low or Zero Emission Tax Credit is claimed when the vehicle is purchased, the credit authorized in HB 1434 will not be allowed.
  - d) Providing for recapture provisions for the credit. Item 1 took effect when the Governor signed the bill on April 11, 2002. Item 2 took effect when the Governor signed the bill on April 11, 2002 and is applicable to taxable years beginning on or after January 1, 2002.

**Restoration Tax Credit for Certified Structures and Historic Homes – House Bill 1441** (O.C.G.A. §48-7-29.8) This bill creates a new tax credit. The credit rewards "certified rehabilitation" of a certified structure or historic home. The credit requires meeting standards set by the Department of Natural Resources. The maximum amount allowable for the credit is \$5,000. This law will become effective on January 1, 2004, and will be applicable to all taxable years beginning on or after that date.

## NEW INFORMATION (continued)

**Transfer of Credit - House Bill 1441** (O.C.G.A. §48-7-42) This bill changes the current law allowing the transfer of credits among affiliated entities. Prior to the passage of this bill, a credit had to be transferred in its entirety to one affiliated member by a transferring entity. Based on the changes presented in this bill, companies will be able to transfer credits in whole or in part to affiliated entities. This law took effect when the Governor signed it on May 14, 2002.

### CORPORATE PARTNERS OF PARTNERSHIPS

A corporation will be considered to be owning property or doing business in Georgia whenever the corporation is a partner, whether limited or general, in a partnership which owns property or does business in Georgia. This treatment of corporate partners is set forth in regulations 560-7-7-.03, 560-7-3-.08, and 560-7-8-.34 which were

amended in 2001. The amended regulations apply to taxable years beginning on or after January 1, 2002.

### ANNUAL REGISTRATION WITH THE SECRETARY OF STATE

All Georgia corporations and foreign corporations that "qualify" to do business in Georgia must file an annual registration with the Secretary of State (SOS). Registration, and the \$15 fee, is due between January 1 and April 1. The SOS will send a notice to the corporation's principal office address in early January. Foreign corporations (those formed in a state other than Georgia) should determine the need to obtain a Certificate of Authority by reviewing O.C.G.A. §14-2-1501. The statute can be viewed, and an application obtained, at [www.georgiacorporations.org](http://www.georgiacorporations.org). Annual registration and certificate of authority obligations are separate from any Department of Revenue filings.

### EXEMPT ORGANIZATIONS

An organization that had tax exempt status with the Internal Revenue Service prior to January 1, 1987 is not required to apply to the Georgia Income Tax Division for a tax exempt determination letter. Organizations that received IRS determination letters after that date, as well as any organization desiring a Georgia income tax determination letter for any reason, must make application using Georgia Form 3605. A nonprofit corporate charter does not constitute exemption from income tax.

Each exempt organization must annually file a copy of the forms they file with the Internal Revenue Service, such as Federal Forms 990, 990-EZ, etc. The due date for filing the copy of the Federal return with Georgia is the same as the due date for filing with the Internal Revenue Service.

All correspondence related to exempt organizations should be mailed to: Georgia Income Tax Division, P. O. Box 740385, Atlanta, GA 30374-0385.

### TELEPHONE ASSISTANCE

Centralized Taxpayer Registration Unit .....	404-417-4490
Compliance Division .....	404-417-6400
Corporation and Net Worth Tax Return Information .....	404-417-2427
Corporation Refund Inquiry .....	404-417-2427
Corporation Return Processing, Forms, Estimates and Prepayment of Tax .....	404-417-2409
Electronic Funds Transfer .....	404-417-2220 or 1-800-659-1855
Employee Withholding Information .....	404-417-2311
Estate and Tax Exempt Organization Information .....	404-417-2402
Income Tax Director's Office .....	404-417-2400
Income Tax Forms .....	404-417-6011
Individual Income Tax Return Information .....	404-417-2300
Secretary of State .....	404-656-2817

# INCOME TAX

## INTRODUCTION

The following instructions apply to two separate taxes on corporations. One is an income tax at a rate of 6% on taxable income. The second is a graduated tax based on corporate net worth. The instructions for the net worth tax are on Page 6.

Both taxes must be paid annually. Schedule 3 of the return is designed to combine the liabilities, any penalty and interest due, and the credits for prepayment, resulting in a single balance due or overpayment.

## FILING REQUIREMENTS

All corporations owning property or doing business within Georgia are required to file a Georgia income tax return. Please round all dollar entries. A corporation electing to file under the Internal Revenue Code provisions for S corporations having one or more stockholders who are nonresidents of Georgia must file consent Form 600 S-CA on behalf of each nonresident. Failure to furnish a properly executed Form 600 S-CA for each nonresident stockholder negates Georgia's recognition of the election, requiring each corporation to file on Form 600 and to pay the regular corporate tax.

**NOTE: If you use a software program or if you do not need a booklet next year, mark an "X" in the box in the upper right corner of the form.**

## WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This means March 15th, if on the calendar year basis. Returns should be mailed to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397. Taxpayers claiming credits on Schedules 9 and/or 10 should mail their returns to Georgia Income Tax Division, P. O. Box 49431, Atlanta, Georgia 30359-1431.

## EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due. Georgia law prohibits the granting of an extension of over 6 months from the due date of the return. **If a taxpayer receives from the Internal Revenue Service an extension of time within which to file his Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time.** The taxpayer must attach a copy of the request for Federal extension to the Georgia return. Form IT-560C is used to submit any payment of tax when an extension is requested or in force. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

## LATE PAYMENT PENALTY

A taxpayer having a Federal extension must also prepay the Georgia tax accompanying such remittance with Form IT-560C. Credit for such prepayment should be claimed on Form 600, Schedule 3, Line 2. If tax is not paid by the statutory due date of the return, a late payment penalty of 1/2 of 1% per month will accrue until tax is paid. This penalty will accrue from the statutory due date regardless of any extension for filing the return.

## PENALTIES AND INTEREST

The Georgia Code imposes certain penalties, which must be assessed as follows:

Delinquent filing of return—5% of the tax shown on the return for each month or fractional part thereof—up to 25%.

Failure to pay tax shown on a return by the due date—1/2 of 1% of the tax due for each month or fractional part thereof—up to 25%.

Other penalties are also provided, as follows:

Negligent underpayment of tax—5% of the underpayment.

Fraudulent underpayment—50% thereof.

**Note:** The combined total of the penalty for delinquent filing of a return and failure to pay tax shown on a return cannot exceed 25% of the tax as shown on the return.

Interest accrues at the rate of 12% per year from the due date for payment to the date paid. An extension of time for filing does not alter the interest charge or the penalty for late payment of tax.

## COMPUTATION OF TAX

The Georgia income tax is 6% of the Georgia taxable income shown on Schedule 1, Line 7. The amount of tax must be entered on Schedule 1, Line 8, and on Schedule 3, Line 1A.

## RELATION TO FEDERAL RETURN

The Georgia return is correlative with the Federal return in most respects (**see information on Page 2 about the 2002 JCWA Act**). The taxable income shown on the Federal return is the basis of the Georgia taxable income, with only a few adjustments outlined in the following section. The accounting period and method for the Georgia return must be the same as the Federal. The Federal principles pertaining to execution of the return by an officer and the preparer apply to Georgia returns. A copy of the Federal return and all supporting schedules must be attached to the Georgia return.

If two or more corporations file Federal income tax returns on a consolidated basis and all such corporations derive all of their income from sources within Georgia, the corporations must file a consolidated return for Georgia income tax purposes. However, a separate net worth tax return must be filed by each subsidiary. The Parent Corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due.

**Affiliated corporations which file a consolidated Federal income tax return, but derive income from sources outside this State, must file separate income tax returns with Georgia unless they have prior approval or have been requested to file a consolidated return by the Commissioner of Revenue.**

When a taxpayer entitled to a carry-back period for a net operating loss elects under I.R.C. Section 172(b)(3)(c) to forego the entire carry-back period and carry-forward only, such election is binding on the Georgia return.

If a Federal audit results in a change in taxable income, the taxpayer shall make a return to the Commissioner of the changed or corrected net income within 180 days of final determination. The return should be mailed to: Georgia Income Tax Division, P.O. Box 49432, Atlanta, Georgia 30359-1432.

## ADJUSTMENTS TO FEDERAL INCOME

The Federal taxable income is the basis of computation of Georgia taxable income. Lines 2 and 4 of Schedule 1 are provided for the modifications required by Georgia Law. The total of additions to Federal income should be shown on Schedule 1, Line 2 and listed in Schedule 4. The total of subtractions from Federal income should be shown on Schedule 1, Line 4 and listed in Schedule 5. The more commonly used items are listed in each of these schedules. **Additionally, adjustments due to the Job Creation and Worker Assistance Act of 2002 should be reported as stated on Page 2.**

**A corporation which is a party to state contracts may subtract**

## INCOME TAX (continued)

from Federal taxable income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. A list of certified minority subcontractors will be maintained by the Commissioner of Administrative Services for the Revenue Department and general public. (To register as a minority subcontractor or to view the list, call 404-656-6315 or visit the DOAS website at [www3.state.ga.us/departments/doas/pu/pummr.html](http://www3.state.ga.us/departments/doas/pu/pummr.html).)

If you claim a net operating loss deduction, you must file a complete statement as to the sources of such deduction. (Attach a schedule)

Corporations doing business both within and without Georgia incurring a loss shall compute the net operating loss carryover deduction by allocating to Georgia only the amount of the loss attributable to operations within Georgia. Such deduction shall be entered on Schedule 7, Line 8.

**A net operating loss sustained for the current taxable year must be carried back and forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 2002, and as adopted by Section 48-7-21 of the income tax laws of Georgia. Additionally, Georgia has not adopted the five year carry-back period of the Job Creation and Worker Assistance Act of 2002 as stated on Page 2.**

**Georgia Taxes Deductible.** There shall be added to taxable income any taxes on, or measured by, net income or net profits paid or accrued within the taxable year imposed by the authority of the United States or any foreign country, or by any state **except the State of Georgia**, or by any territory, county, school district, municipality, or other tax subdivision of any state, territory, or foreign country to the extent such taxes are deducted in determining federal taxable income. This includes federal environmental tax.

Where salaries and wages are reduced on the federal return in computing federal taxable income because of a Federal jobs tax credit, the eliminated salary and wage deduction should be listed in Schedule 5 as a subtraction from Federal taxable income.

### ALLOCATION AND APPORTIONMENT OF INCOME

If any corporation, domestic or foreign, is doing business both within and without Georgia, Schedules 6 and 7 should be used to compute Georgia taxable income.

The tax imposed by this law applies to the entire net income as herein defined, received by every corporation, foreign or domestic, owning property or doing business in this State. Every such corporation shall be deemed to be doing business in this State if it engaged within this State in any activities or transactions for the purpose of financial profit or gain; whether or not such corporation is registered to do business in this State; whether or not it maintains an office or place of doing business within this State; whether or not any such activity or transaction is connected with interstate or foreign commerce. If the business income of the corporation is derived from property owned or business done within the State, and in part from property owned or business done without the State, the tax shall be imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals realized from such

investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gains from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the corporation nor for sale in the regular course of business shall be allocated to the State if the property held is real or tangible personal property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gains shall be allocated outside the State.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

### THREE FACTOR FORMULA

(a) Property Factor. The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost.

Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rental rate received from any subrentals. Averaging, with respect to rented property, is achieved automatically by the method of determining the net annual rental rate of such property.

(b) Payroll Factor. The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in this State or some of the service is performed in Georgia and the base of operations from which the service is directed is in this State, or some of the service is performed in Georgia and the base of operations from which the service is directed is not in any State where some part of the service is performed but the employee's residence is in Georgia.

(c) Gross Receipts Factor. The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered within this State to customers.

The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services.

When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from products shipped to customers in this State or products delivered within this State to customers.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been

# INCOME TAX

(continued)

derived from business done in this State if they were received from customers within this State or if the receipts are otherwise attributable to this State's marketplace.

**(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to receipts. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3% and the weighted percentage for the receipts factor will be 66-2/3%. If the denominator for the receipts is zero, the weighted percentage for the property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%.**

(e) Apportionment of Income; Business Joint Venture and Business Partnerships. A corporation, which is involved in a business joint venture, or is a partner in a business partnership, must include its pro rata share of the joint venture or partnership, property, payroll and gross receipts values in its own apportionment formula.

## AMENDED RETURNS

Georgia has no special form for filing an amended return. Please check the amended return block on Form 600. A copy of Federal Form 1120X or federal audit adjustments must be attached. Mail the amended return to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397. Amended returns with credits on Schedules 9 and/or 10 should be mailed to Georgia Income Tax Division, P. O. Box 49431, Atlanta, Georgia 30359-1431.

## CLAIMS FOR REFUND

A claim for a refund of tax must be made within three years from the date the tax was paid. Taxes which have been paid by either withholding or estimated tax are treated as having been paid on the regular due date of the return. An extension of time to file the return does not extend the deadline for filing a state claim for refund. For example, if payments were made with respect to the 1999 tax year on or before March 15, 2000 (due date of the 1999 tax year), the taxpayer must file any claim for refund of such tax by March 17, 2003. An extension of time to file the 1999 return does not change the March 17, 2003 deadline for filing a state claim for refund.

# NET WORTH TAX

## INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax from the incorporation/qualification date to the year end. If this return is for a short period of less than six months, the tax due shall be 50%. The initial net worth return cannot be combined with the initial income tax return since the due dates do not coincide.

Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

## EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due. Georgia law prohibits the granting of an extension of over 6 months from the due date of the return.

**If a taxpayer receives an extension of time from the Internal Revenue Service within which to file his Federal return, the taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time.** The taxpayer must attach a copy of the request for the Federal extension to the Georgia return. If the taxpayer is filing a net worth tax return only and no income tax return is due, a separate extension must be applied for and the tax paid. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

A taxpayer having a federal extension must also prepay the Georgia tax accompanying such remittance with Form IT-560C. Credit for such prepayment should be claimed on Form 600, Schedule 3,

Line 2. **An extension of time does not alter the interest charges or the penalty for late payment of tax.**

## PENALTIES AND INTEREST

Penalties and interest may be avoided by payment of tax by the statutory due date of the return. Penalty for delinquent filing - 10% of tax due. Penalty for delinquent payment - 10% of tax due. In addition, interest at 12% per annum is due on a delinquent remittance from the date due until paid.

## COMPUTATION OF TAX

The tax is graduated based on net worth. In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock.

**Foreign corporations qualified in Georgia are taxable on the portion of net worth employed within Georgia as computed in Schedule 2, using the ratio computed in Schedule 8.** In computing the ratio, the property factors will reflect total balance sheet assets within Georgia and everywhere. This includes all intangible assets as reflected on the federal return such as accounts receivable. The gross receipts factors are determined per the instructions on Page 5. **For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.**

**Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio) and should not use the ratio computation in Schedule 8. For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia. A domesticated foreign corporation is a foreign corporation, which has**

## NET WORTH TAX (continued)

**agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed on total net worth.**

A dormant corporation must file a net worth tax return and pay the tax to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth will pay the minimum tax shown in the table below. **A corporation which has liquidated and is filing its final income tax return is not liable to file a subsequent net worth tax return.**

All cooperative marketing associations are required to file a return using either Form 600 or 600S, whichever is applicable. The tax on such corporations is \$10.00 per year.

When two or more corporations file a consolidated return for income tax purposes, a separate net worth tax return must be filed by each subsidiary. The parent corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due.

### NET TAX DUE OR OVERPAYMENT

Schedule 3 provides for the computation of the net tax due or the net overpayment of the two taxes.

Compute any penalty and interest due under the respective taxes and enter the amounts on the applicable lines.

### TREATMENT OF SHORT PERIOD NET WORTH TAX RETURN

All corporations filing a short period income and/or net worth Georgia tax return for any reason other than initial or final return shall compute the net worth in accordance with the following instructions:

The net worth tax shall be computed on the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

Note: Any short periods ending on the 1st through the 15th day of the month are backed up to the last day of the preceding month. Years ending on the 16th day or later are moved forward to the last day of that month.

**EXAMPLE:** Corporation A files a three month short period return ending March 31, 2001. The Georgia taxable net worth per the March 31, 2001, balance sheet is \$90,000. The Georgia net worth tax is computed as follows: Tax per scale \$100.00 x 3/12 = \$25.00 net worth tax due.

### NET WORTH TAX TABLE

#### DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus and earned surplus (Schedule 2, Line 4).

#### FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus and earned surplus employed within Georgia (Schedule 2, Line 6).

Not exceeding .....	\$ 10,000.00 .....			10.00
Over .....	10,000.00	and not exceeding	25,000.00 .....	20.00
Over .....	25,000.00	and not exceeding	40,000.00 .....	40.00
Over .....	40,000.00	and not exceeding	60,000.00 .....	60.00
Over .....	60,000.00	and not exceeding	80,000.00 .....	75.00
Over .....	80,000.00	and not exceeding	100,000.00 .....	100.00
Over .....	100,000.00	and not exceeding	150,000.00 .....	125.00
Over .....	150,000.00	and not exceeding	200,000.00 .....	150.00
Over .....	200,000.00	and not exceeding	300,000.00 .....	200.00
Over .....	300,000.00	and not exceeding	500,000.00 .....	250.00
Over .....	500,000.00	and not exceeding	750,000.00 .....	300.00
Over .....	750,000.00	and not exceeding	1,000,000.00 .....	500.00
Over .....	1,000,000.00	and not exceeding	2,000,000.00 .....	750.00
Over .....	2,000,000.00	and not exceeding	4,000,000.00 .....	1,000.00
Over .....	4,000,000.00	and not exceeding	6,000,000.00 .....	1,250.00
Over .....	6,000,000.00	and not exceeding	8,000,000.00 .....	1,500.00
Over .....	8,000,000.00	and not exceeding	10,000,000.00 .....	1,750.00
Over .....	10,000,000.00	and not exceeding	12,000,000.00 .....	2,000.00
Over .....	12,000,000.00	and not exceeding	14,000,000.00 .....	2,500.00
Over .....	14,000,000.00	and not exceeding	16,000,000.00 .....	3,000.00
Over .....	16,000,000.00	and not exceeding	18,000,000.00 .....	3,500.00
Over .....	18,000,000.00	and not exceeding	20,000,000.00 .....	4,000.00
Over .....	20,000,000.00	and not exceeding	22,000,000.00 .....	4,500.00
Over .....	22,000,000.00			5,000.00

## IMPORTANT

THIS FORM IS TO BE USED BY **CORPORATE TAXPAYERS** ONLY FOR PAYMENT OF  
INCOME TAX AND/OR NET WORTH TAX TENTATIVELY DETERMINED TO BE DUE.

## INSTRUCTIONS

When a taxpayer receives an automatic extension of time in which to file a Federal return, Georgia will honor that extension. No penalty for late filing will be assessed if the Georgia return is filed by the extended due date of the Federal return. The extension is for filing the return and does not extend the time for paying the tax. The tax must be paid by the statutory due date. An extension of time for filing does not relieve the taxpayer of liability for interest or penalty for late payment of tax.

1. This form is to be used to submit any payment of tax when an extension is requested or in force.
2. The amount paid with this form should be claimed on the completed return as credits and payments.
3. This form must be submitted with remittance to pay at least 90% of the tax that will be due as reflected on the final return. If 90% of the tax is not paid by the original due date of the return, a penalty of 1/2 of 1% per month of the tax due will be assessed as a late payment penalty. The addition of this penalty does not relieve the taxpayer of liability for interest due on the unpaid balance of tax.
4. The amount paid is to be credited as a payment on the liability that may be due as reflected by the completed return. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States, free of any expense to the State of Georgia.

If you have any questions call: (404) 417-2469


**Make check payable to:** Georgia Income Tax Division (Include FEI Number on check)

**Mail the completed IT-560 C with remittance to:**

Georgia Department of Revenue  
P.O. Box 740317  
Atlanta, GA 30374-0317

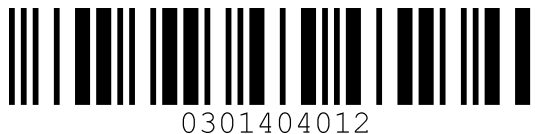
**DO NOT mail this entire page. Cut along dotted line and mail only coupon and payment**  
**DO NOT USE STAPLES, PAPER CLIPS OR ATTACH CHECK STUB**

----- Cut along dotted line -----

<b>IT-560 C</b> (rev. 7/02) FOR CORPORATION 2002 Payment of Income Tax and/or Net Worth tentatively determined to be due		 0301204012		<b>MAIL TO:</b> Georgia Department of Revenue P.O. Box 740317 Atlanta, GA 30374-0317 Telephone No. (404) 417-2469	
<input type="checkbox"/> Corporate Income Tax	<input type="checkbox"/> Net Worth Tax	<input type="checkbox"/> New Corporation	<input type="checkbox"/> Address Change	<input type="checkbox"/> Name Change	
FEI Number	Income Tax Year (MM/DD/YY)	Vendor Code N/A	Former Name if Applicable		
Current Name (Type or print plainly the exact Corporation Name)			Signature of Officer or Agent		Title      Date
Business Address		City		State	Zip Code
DO NOT STAPLE, PAPER CLIP OR ATTACH CHECK STUB					
<b>Amount Paid</b>					



Form **600** (rev. 07/02)  
Corporation Tax Return  
Georgia Department of Revenue  
Income Tax Division



**2002** Income Tax Return  
Beginning \_\_\_\_\_  
Ending \_\_\_\_\_  
**2003** Net Worth Tax Return  
Beginning \_\_\_\_\_  
Ending \_\_\_\_\_

<input type="checkbox"/> Original Return	<input type="checkbox"/> Initial Net Worth	<input type="checkbox"/> Address Change
<input type="checkbox"/> New Corporation	<input type="checkbox"/> Amended Return	<input type="checkbox"/> Name Change
<input type="checkbox"/> Consolidated Return	<input type="checkbox"/> Final Return (attach explanation)	

☒ Mark box with an X if you  
**do not** want a booklet next year

A. Federal Employer I.D. Number	Name (Corporate title) Please give former name if applicable.		E. Date of Incorporation
B. GA. Withholding Tax Account Number	Business Address (Number and Street)		F. Incorporated under laws of what state
C. GA. Sales Tax Registration Number	City or Town	County State Zip Code No.	G. Date admitted into GA
D. Standard Industrial Classification Code	Location of Books for Audit (city & state)	Telephone Number	H. Kind of Business

I. Indicate latest taxable year adjusted by IRS ► \_\_\_\_\_ And when reported to Georgia ► \_\_\_\_\_

**COMPUTATION OF GEORGIA TAXABLE INCOME AND TAX** (ROUND TO NEAREST DOLLAR)

**SCHEDULE 1**

1. Federal taxable income (Copy of Federal return and supporting schedules must be attached) .....	1.	
2. Additions to Federal income (from Schedule 4) .....	2.	
3. Total (add Lines 1 and 2) .....	3.	
4. Subtractions from Federal income (from Schedule 5) .....	4.	
5. Balance (Line 3 less Line 4) .....	5.	
6. Georgia net operating loss deduction (Attach Schedule) .....	6.	
7. Georgia taxable income (Schedule 7, Line 5 Less Line 6, whichever applicable) .....	7.	
8. Income Tax - (6% x Line 7) .....	8.	

**COMPUTATION OF NET WORTH TAX**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 2**

1. Total capital stock issued .....	1.	
2. Paid in or capital surplus .....	2.	
3. Total retained earnings .....	3.	
4. Net worth (Total of Lines 1, 2, and 3) .....	4.	
5. Ratio (GA. and Dom. For. Corp.-100%) (Foreign Corp. - Sch. 8, Line 4) .....	5.	
6. Net worth taxable by Georgia (Line 4 x Line 5) .....	6.	
7. Net worth tax (From table in instructions) .....	7.	

**COMPUTATION OF TAX DUE OR OVERPAYMENT**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 3**

	A. Income Tax	B. Net Worth Tax	C. Total
1. Total Tax (Schedule 1, Line 8, and Schedule 2, Line 7)			1.
2. Less: Credits and payments of estimated tax .....			2.
3. Less Credits from Schedule 9, Line 12 .....			3.
4. Withholding Credits .....			4.
5. Balance of tax due (Line 1, less Lines 2, 3, and 4) ....			5.
6. Amount of overpayment (Lines 2, 3, and 4 less Line 1)			6.
7. Interest due (See Instructions) .....			7.
8. Penalties due (See Instructions) .....			8.
9. Balance of Tax, Interest and Penalties due with return			9.
10. Amount of Line 6 to be credited to 2003 estimated tax ►		Refunded	

**ADDITIONS TO FEDERAL INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 4**

1. State and municipal bond interest (other than Georgia or political subdivision thereof) .....	1.	
2. Net income or net profits taxes imposed by taxing jurisdictions other than Georgia .....	2.	
3. Expense attributable to tax exempt income .....	3.	
4. Net Operating loss deducted on Federal return .....	4.	
5. Other Additions (Attach Schedule) .....	5.	
TOTAL - Enter also on Schedule 1, Line 2 .....		

**SUBTRACTIONS FROM FEDERAL TAXABLE INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 5**

1. Interest on obligations of United States .....	1.	
2. Other Subtractions (Attach Schedule) .....	2.	
TOTAL - Enter also on Schedule 1, Line 4 .....		

**APPORTIONMENT OF INCOME (Part 1)****SCHEDULE 6**

	WITHIN GEORGIA		TOTAL EVERYWHERE	
	A. Beginning of Year	B. End of Year	A. Beginning of Year	B. End of Year
1. Inventories .....				
2. Buildings (cost) .....				
3. Machinery & Equipment .....				
4. Land .....				
5. Other Tangible Assets ..				
6. Total (Lines 1 through 5) .....				
7. Average (Add columns A & B and divide by 2) .....				
8. Rented Property (Annual Rate x 8) .....				
9. Total Property .....				

**APPORTIONMENT OF INCOME (Part 2)**

	A. Within Georgia	B. Everywhere (If this figure is 0 see instructions on page 6)	C. Do not round Col (A)/Col (B) Compute to six decimals		D. Do not round Georgia Factor Compute to six decimals
1. Total Property (Part 1, Line 9) .....				x0.25	
2. Salaries, commissions, wages & compensation .....				x0.25	
3. Gross receipts from business .....				x0.50	
4. Georgia ratio (Total Column D) .....					

**COMPUTATION OF GEORGIA NET INCOME**

(ROUND TO NEAREST DOLLAR)

**SCHEDULE 7**

1. Net business income (Schedule 1, Line 5) .....	1.	
2. Income allocated everywhere (Attach Schedule) .....	2.	
3. Business income subject to apportionment (Line 1 less Line 2) .....	3.	
4. Georgia Ratio (Schedule 6, Part 2, Line 4) .....	4.	
5. Net business income apportioned to Georgia (Line 3 x Line 4) .....	5.	
6. Net income allocated to Georgia (Attach Schedule) .....	6.	
7. Total of Lines 5 and 6 .....	7.	
8. Less net operating loss apportioned to GA. (Attach Schedule) .....	8.	
9. Georgia taxable income (Enter also on Schedule 1, Line 7) .....	9.	

**COMPUTATION OF GEORGIA NET WORTH RATIO**

(TO BE USED BY FOREIGN CORPS ONLY)

**SCHEDULE 8**

	A. Within Georgia	B. Total Everywhere	C. GA. ratio (A/B)
1. Total value of property owned (Total assets from Federal balance sheet) .....			
2. Gross receipts from business .....			
3. <b>Totals</b> (Line 1 plus Line 2) .....			
4. Georgia Ratio (Divide Line 3A by 3B) .....			

**Copy of the Federal Return and supporting Schedules must be attached, otherwise this return is deemed incomplete.** No extension of time for filing will be allowed unless copy of request for Federal extension or Form IT-303 is attached to this return. **Make check payable to:** Georgia Income Tax Division

**Mail To:** Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397

**If Claiming Credits on Schedules 9 and/or 10, Mail To:** Georgia Income Tax Division, P. O. Box 49431, Atlanta, GA 30359-1431

Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States free of any expense to the State of Georgia

**Declaration:** I/We declare under the penalties of perjury that I/we have examined this return (including accompanying schedules and statements) and to the best of my/our knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, their declaration is based on all information of which they have any knowledge.

SIGNATURE OF OFFICER \_\_\_\_\_

DATE \_\_\_\_\_

SIGNATURE OF INDIVIDUAL OR FIRM PREPARING THE RETURN \_\_\_\_\_

TITLE \_\_\_\_\_

IDENTIFICATION OR SOCIAL SECURITY NUMBER \_\_\_\_\_

**SCHEDULE 10**[illegible]

For calendar year or fiscal year beginning \_\_\_\_\_ and ending \_\_\_\_\_

Preceding Tax Year	Income/Loss	Prior Year		Current Year		Next Year
		NOL Utilized (Income Offset)	Carryovers	Carryover NOL Utilized	Income Offset By NOL Carryback	Carryover
NOL Carryover Available to Current Year						
Current Year						
NOL Carryover Available to Next Year						

# CORPORATION ESTIMATED TAX INSTRUCTIONS

## CORPORATIONS WHICH MUST FILE ESTIMATED TAX.

Every domestic or foreign corporation subject to taxation in Georgia shall pay estimated tax for the taxable year if its net income for such taxable year can reasonably be expected to exceed Twenty-Five Thousand Dollars (\$25,000.00).

All Corporate income tax must be paid directly to the Income Tax Division. The estimated tax shall be paid on the specified dates so as to effect payment in full of the estimated tax by the 15th day of the twelfth month of the taxable year.

If the requirements to file estimated tax under Code Section 48-7-117 are first met as shown in the left-hand column of the following table, then the estimated tax shall be due as shown in the remaining columns.

**The following percentages of estimated tax shall be paid on or before the fifteenth day of the:**

	4th MONTH OF THE TAXABLE YEAR	6th MONTH OF THE TAXABLE YEAR	9th MONTH OF THE TAXABLE YEAR	12th MONTH OF THE TAXABLE YEAR
Before the first day of the fourth month of the taxable year.	25%	25%	25%	25%
After the last day of the third month and before the first day of the sixth month of the taxable year.		33 1/3%	33 1/3%	33 1/3%
After the last day of the fifth month and before the first day of the ninth month of the taxable year.			50%	50%
After the last day of the eighth month and before the first day of the twelfth month of the taxable year.				100%

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## NEW ESTIMATED TAX FILERS

If you determine that you are liable to file estimated tax, please mail your initial payment along with Form 602ES. The estimated tax worksheet and Form 602ES are on Page 10. Include your corporate name, address, telephone number, Federal Employer Identification Number, and the taxable year. You will receive a personalized coupon booklet containing Form 602ES to be used for paying the remaining installments. For more information, contact the Corporate Tax Section at 404-417-2409.

Form 602ES shall be delivered or mailed to State of Georgia, Department of Revenue, P.O. Box 105136, Atlanta, Georgia 30348-5136. Check or money order in payment of tax should be made payable to: "Georgia Income Tax Division." Include Federal Employer Identification Number on check.

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## ELECTRONIC FUNDS TRANSFER

In accordance with Georgia Law (O.C.G.A. §48-2-32(f)(2)), the Department currently requires corporate estimate taxpayers with quarterly payments of \$10,000 or more to make those payments via electronic funds transfer. You can also voluntarily participate in our electronic funds transfer program. For registration forms and information, visit our website at [www.gatax.org](http://www.gatax.org) or contact the EFT Section at (404) 417-2220, 1-800-659-1855, or via e-mail to [doreft@gatax.org](mailto:doreft@gatax.org).

## SHORT TAXABLE YEAR

A separate estimate must be filed where a corporation is required to submit an income tax return for a period of less than twelve months. No estimate need be filed if the taxable year is a short period of less than four months, or if the taxable year is a short period of four or more months and the requirements specified are first met after the first day of the last month in the short taxable year.

**Please Note:** Corporations that are required to file estimated tax for a short taxable period or whose accounting period has changed should use Form 602ES and change dates to coincide with short period. Mail payment to:

**Georgia Income Tax Division  
Department of Revenue  
Corporation Estimated Tax  
P.O. Box 105136  
Atlanta, Georgia 30348-5136  
Telephone No. (404) 417-2409**

**Failure to comply with the provisions of the law may result in a penalty of 5% of the income tax for failure to pay estimated tax and a charge at the rate of 9% per annum for underpayment of estimated tax.**

## CORPORATION ESTIMATED TAX WORKSHEET

1. Amount of taxable income expected during the current year ..... \$ \_\_\_\_\_
2. Estimated Tax (6 percent of Line 1) ..... \$ \_\_\_\_\_
3. Less Credit for 2002 overpayment if credit was elected on Form 600 ..... \$ \_\_\_\_\_
4. Unpaid balance (Line 2 less Line 3) ..... \$ \_\_\_\_\_
5. Computation of installment: (check box below and enter amount.) ..... \$ \_\_\_\_\_

If first payment is      ☐ April 15, 2003, enter 1/4 of Line 4      ☐ Sept. 15, 2003, enter 1/2 of Line 4  
due to be filed on      ☐ June 15, 2003, enter 1/3 of Line 4      ☐ Dec. 15, 2003, enter amount of Line 4

Amount Due ..... \$ \_\_\_\_\_

Corporations filing on a fiscal year ending after January 1 must file on corresponding dates. See instructions.

**DO NOT mail this entire page. Cut along dotted line and mail only coupon and payment  
DO NOT USE STAPLES, PAPER CLIPS OR ATTACH CHECK STUB**

----- Cut on dotted line -----

**602 ES** (rev. 7/02)

**Corporate Estimated Tax**  
Georgia Department of Revenue  
**Calendar Year 2003 or Fiscal Year**



0360204012

### MAIL TO:

Georgia Department of Revenue  
P.O. Box 105136  
Atlanta, GA 30348-5136  
Telephone No. (404) 417-2409

**Beginning** \_\_\_\_\_ **20** **Ending** \_\_\_\_\_ **20**

☐

Name Change

☐

Address Change

☐

Tax Year Change

FEI Number	Code <b>00</b>	Tax Year	Year Ending	Due Date	Vendor Code <b>N/A</b>
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### BUSINESS NAME AND ADDRESS

I declare under the penalties of perjury that this information has been examined by me and to the best of my knowledge and belief is true and correct. Georgia Public Revenue Code Section 48-2-31 stipulates that taxes shall be paid in lawful money of the United States free of any expense to the State of Georgia.

Signature

Title

Telephone

Date

DO NOT STAPLE, PAPER CLIP OR ATTACH CHECK STUB

**Amount Paid**

# TAX CREDITS

Credit Type Code	Description
101	<p><b>Employer's Credit for Basic Skills Education.</b> Businesses may benefit by providing or sponsoring basic skills education that enhances reading, writing, or mathematical skills up to and including the 12<sup>th</sup> grade or classes to receive a GED certificate. The program is administered by the Department of Technical and Adult Education. For information, contact them at (404) 679-1625. This credit should be claimed on Form IT-BE. For more information, refer to O.C.G.A. §48-7-41.</p>
102	<p><b>Employer's Credit for Approved Employee Retraining.</b> The retraining tax credit allows some employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems. The credit can be worth 50% of the direct costs of retraining full-time employees up to \$500 per employee per approved retraining program per year. The credit cannot be more than 50% of the taxpayer's total state income tax liability for a tax year. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-679-1700. This credit should be claimed on Form IT-RC. For more information, refer to O.C.G.A. §48-7-40.5.</p>
103	<p><b>Employer's Jobs Tax Credit.</b> This credit provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties.</p> <p>Tier 1 counties, the state's least developed counties, are ranked 1 through 71. Companies creating five or more new jobs in a Tier 1 county may receive a \$3,500 tax credit.</p> <p>Tier 2 counties are ranked 72 through 106. Companies creating 10 or more new jobs in a Tier 2 county may receive a \$2,500 tax credit.</p> <p>Tier 3 counties are ranked 107 through 141. Companies creating 15 or more new jobs in a Tier 3 county may receive a \$1,250 tax credit.</p> <p>Tier 4 counties are ranked 142 through 159. Companies creating 25 or more new jobs in a Tier 4 county may receive a \$750 tax credit.</p> <p>Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain "less developed" census tracts in the metropolitan areas of the state. At least 30% of the new jobs created in these census tracts must be held by residents of the eligible census tracts or a Tier 1 county. Note that average wages for the new jobs must be above the average wage of the county that has the lowest average wage of any county in the state. Also employers must make health insurance available to employees filling the new full-time jobs. Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees. Credits are allowed for new full-time employee jobs for five years in years two through six after the creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. In Tier 1 counties and "less developed" census tracts only, credits may also be taken against a company's income tax withholding. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of new full-time jobs and maintained jobs is based on average monthly employment. Georgia counties are re-ranked annually based on updated statistics. See the Job Tax Credit law and regulations for further information. This credit should be claimed on Form IT-CA. An additional \$500 per job is allowed for a business locating within a county that belongs to a Joint Development Authority. For more information, refer to O.C.G.A. §48-7-40 and 48-7-40.1</p>
104	<p><b>Employer's Credit for Purchasing Child Care Property.</b> Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. The qualified property credit may be carried forward for three years from the close of the taxable year in which the qualified property is placed in service, and the limitation on the use of the credit in any one year is 50% of the employer's Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. This credit should be claimed on Form IT-CCC100. For more information, refer to O.C.G.A. §48-7-40.6.</p>
105	<p><b>Employer's Credit for Providing or Sponsoring Child Care for Employees.</b> Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75% of the employers' direct costs. The credit cannot be more than 50% of the taxpayer's total state income tax liability for that taxable year. Any credit claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of the operation was incurred. This credit should be claimed on Form IT-CCC75. For more information, refer to O.C.G.A. §48-7-40.6.</p>

## TAX CREDITS (continued)

### Credit Type Code

### Description

- 106 Manufacturer's Investment Tax Credit.** Based on the same tiers as the Job Tax Credit program. It allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous three years to obtain a credit against income tax liability. The credit is available in reference to expenses directly related to manufacturing or providing telecommunications services. Taxpayers must apply (use Form IT-APP) and receive approval before they claim the credit on their returns. Taxpayer may choose either the job tax credit, the investment tax credit or the optional investment tax credit but only one.
- Companies expanding in Tier 1 counties must invest \$50,000 to receive a 5% credit. That credit increases to 8% for recycling, pollution control, and defense conversion activities.
- Companies expanding in Tier 2 counties must invest \$50,000 to receive a 3% tax credit. That credit increases to 5% for recycling, pollution control, and defense conversion activities.
- Companies expanding in Tier 3 or Tier 4 counties must invest \$50,000 to receive a 1% credit. That credit increases to 3% for recycling, pollution control, and defense conversion activities.
- For more information, refer to O.C.G.A. §48-7-40.2, 40.3, and 40.4.
- 107 Optional Investment Tax Credit.** Taxpayers qualifying for the investment tax credit may choose an optional investment tax credit with the following threshold criteria:
- | Designated Area         | Minimum Investment  | Percent Tax Credit |
|-------------------------|---------------------|--------------------|
| <b>Tier 1</b>           | <b>\$ 5 Million</b> | <b>10%</b>         |
| <b>Tier 2</b>           | <b>\$10 Million</b> | <b>8%</b>          |
| <b>Tier 3 or Tier 4</b> | <b>\$20 Million</b> | <b>6%</b>          |
- Taxpayers must apply (use Form OIT-APP) and receive approval before they claim the credit on their returns. The credit may be claimed for 10 years, provided the qualifying property remains in service throughout that period. A taxpayer must choose either the regular or optional investment tax credit. Once this election is made, it is irrevocable. The optional investment tax credit is calculated based upon a three-year tax liability average. The annual credits are then determined using this base year average. The credit available to the taxpayer in any given year is the lesser of the following amounts:
- 90% of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or
  - The excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year.
- For more information, refer to O.C.G.A. §48-7-40.7, 40.8, and 40.9.
- 108 Qualified Transportation Credit.** This is a credit of \$25 per employee for any "qualified transportation fringe benefit" provided by an employer to an employee as described in Section 132(f) of the IRS Code of 1986. For more information, refer to O.C.G.A. §48-7-29.3.
- 109 Low Income Housing Credit.** This is a credit against Georgia income taxes for taxpayers owning developments receiving the federal Low-Income Housing Tax Credit that are placed in service on or after January 1, 2001. For more information, refer to O.C.G.A. §48-7-29.6.
- 110 Diesel Particulate Emission Reduction Technology Equipment.** This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For more information, refer to O.C.G.A. §48-7-40.19.
- 111 Business Enterprise Vehicle Credit.** This credit is for a business enterprise for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year. This credit cannot be claimed if the low and zero emission vehicle credit was claimed at the time the vehicle was purchased. For more information, refer to O.C.G.A. §48-7-40.22.
- 112 Research Tax Credit.** A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. The credit shall be 10% of the additional research expense over the "base amount," provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. The credit may be carried forward 10 years but may not exceed 50% of the business's Georgia net income tax liability after all other credits have been applied in any one year. (Note that the base amount must contain positive Georgia taxable net income for all years.) This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12.



## TAX CREDITS (continued)

Credit Type Code	Description
113	<p><b>Small Business Growth Tax Credit.</b> A tax credit is granted for any business or headquarters or any business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries having a state net taxable income which is 20% or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20% or more. The credit shall be the excess over 20% of the percentage growth and shall not exceed 50% of the business's Georgia net income tax liability after all other credits have been applied. The credit is available to companies whose total tax liability does not exceed \$1.5 million. This credit should be claimed on Form IT-RG. For more information, refer to O.C.G.A. §48-7-40.13.</p>
114	<p><b>Headquarters Tax Credit.</b> Companies establishing their headquarters or relocating their headquarters to Georgia may be entitled to a tax credit if the following criteria are met: 1) At least one hundred (100) headquarters jobs are created; and 2) within one year of the first hire, \$1 million must be spent in construction, renovation, leasing, or other cost related to such establishment or reallocation. Headquarters is defined as the principal central administrative offices of a company. The credit is available for establishing jobs (full time jobs only). To qualify, jobs must pay a salary, which is a stated percentage above the county average wage in which it is located. Above the county average for Tier 1 counties, at least 105% of the average wage for Tier 2 counties, at least 110% of the average wage for Tier 3 counties, and at least 115% of the average wage for Tier 4 counties. The company has the ability to earn the credit in years one through five, however it has seven years in which to earn the credit. The credit is equal to \$2,500 annually per new full-time job or \$5,000 if the average wage of the new full-time jobs is 200% or more of the average wage of the county in which the new jobs are located. The credit may be used to offset 100 percent of the taxpayers Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. For more information, refer to O.C.G.A. §48-7-40.17.</p>
115	<p><b>Port Activity Tax Credit.</b> Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development that have increased their port traffic tonnage through Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers or ten 20-foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located. The job tax and investment tax credits are as follows:</p> <p style="margin-left: 40px;"><b>Tier 1 companies:</b> An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 40px;"><b>Tier 2 companies:</b> An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 40px;"><b>Tier 3 companies:</b> An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p style="margin-left: 40px;"><b>Tier 4 companies:</b> An additional \$1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.</p> <p>Companies that create 400 or more new jobs, invest \$20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits and investment tax credits. For more details about this credit, call the Tax Conferee's Office at 404-417-2441. For more information, refer to O.C.G.A. § 48-7-40.15.</p>
116	<p><b>Bank Tax Credit.</b> All financial institutions that conduct business or own property in Georgia are required to file a Georgia Financial Institutions Business Occupation Tax Return, Form 900. Effective on or after January 1, 2001, a depository financial institution with a Sub S election can pass through the credit to its shareholders on a pro rata basis. For more information, refer to O.C.G.A. §48-7-29.7.</p>
117	<p><b>Low Emission Vehicle Credit.</b> This is a credit of up to \$2,500 for the purchase or lease of a new low emission vehicle and up to \$2,500 for the conversion of a standard vehicle to a low emission vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.</p>
118	<p><b>Zero Emission Vehicle Credit.</b> This is a credit of up to \$5,000 for the purchase or lease of a new zero emission vehicle and up to \$2,500 for the conversion of a standard vehicle to a zero emission vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A zero emission vehicle is a motor vehicle which has zero</p>

## TAX CREDITS (continued)

Credit Type Code	Description
	tailpipe and evaporative emissions as defined under rules and regulations of the Board of Natural Resources and includes an electric vehicle whose drive train is powered solely by electricity, provided the electricity is not generated by an on-board combustion device. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.
119	<b>Cigarette Export Credit.</b> This is a tax credit for the shipment of cigarettes manufactured anywhere in the United States to a foreign country. For more information refer to O.C.G.A. §48-7-40.20.

### FUTURE TAX CREDITS

For taxable years beginning on or after January 1, 2004, a nonrefundable credit not to exceed \$5,000 will be available for the certified rehabilitation of a certified structure or historic home. Standards set by the Department of Natural Resources must be met. For additional information, refer to O.C.G.A. §48-7-29.8.

**For more details about credits and the latest forms, please visit our website at: [www.gatax.org/departments/dor/inctax/taxcredits.shtml](http://www.gatax.org/departments/dor/inctax/taxcredits.shtml).**

### EXTENSION INFORMATION FOR CORPORATIONS

Georgia Code Section 48-7-57 provides that a taxpayer need not apply for a Georgia extension if he applies for and receives an automatic six (6) month extension of time to file his federal income tax return. The taxpayer must attach a copy of the extension granted by the Internal Revenue Service to his Georgia return. If the return is received within the time as extended by the Internal Revenue Service and Form 7004 is attached to the return, no late filing penalties will be incurred.

Failure to attach a copy of the federal extension will result in the return being considered late filed and penalties will be assessed!

If a federal extension was not requested but an extension is necessary for filing the Georgia return, please submit your request on Form IT-303.

If an extension is granted and if the tax is not paid by the statutory due date, late payment penalties will be assessed until the tax is paid. (Income tax-1/2 of 1% per month; net worth tax 10%.) Also, interest will be assessed at the rate of 12% per annum from the statutory due date until paid. The late payment penalties and interest will accrue from the statutory due date regardless of an extension. Georgia law prohibits the granting of an extension of over six months from the due date of the return.

Any payment made prior to the filing of a completed return must be accompanied by Form IT-560 C and claimed on Schedule 3, Line 2.

## **DOUBLE CHECK**

- √ Please review your completed return.
- √ Did you use the label? If so, is all information on the label correct?
- √ If you did not use the label, are your corporate name, address, and Federal I.D. Number correctly shown on the return?
- √ Is the taxable year shown on your return?
- √ Did you receive an extension of time to file your return? If so, have you attached a copy of your extension?
- √ Have you attached a copy of your Federal Form 1120 and supporting schedules?
- √ If there is a tax due (on Schedule 3, Line 9), have you attached your remittance, payable to: Georgia Income Tax Division? (To ensure proper credit, put your Federal I.D. Number and the tax year ending on your remittance.)  
**PLEASE DO NOT MAIL YOUR RETURN AND CHECK SEPARATELY!**
- √ If there is an overpayment (on Schedule 3, Line 6), did you show the amount to be refunded and/or credited to estimated tax (on Schedule 3, Line 10)?
- √ Have you addressed your envelope properly? Do not send your Georgia Form 600 to the Internal Revenue Service.
- √ If you claimed Georgia Business credits, did you attach the required schedules or forms?

## **COMMON ERRORS THAT DELAY REFUNDS AND CREATE ASSESSMENTS**

1. Incorrect addresses and Federal I.D. Numbers.
2. Failure to indicate proper taxable year ending.
3. Incomplete Georgia return, making reference to attached schedules.
4. Incorrect consolidation of net worth tax for parent and subsidiary corporations.
5. Claiming prepayments remitted under another name, Federal I.D. Number, or taxable period without attaching a schedule of detailed information.
6. "S" corporations filing on Form 600. The correct form is the 600S.
7. Improper enclosure of Form IT-552 Application for Tentative Carry-back Adjustment. Form IT-552 should be attached to face of Loss-Year return.

STATE OF GEORGIA  
DEPARTMENT OF REVENUE  
INCOME TAX DIVISION  
1800 CENTURY CENTER BLVD., 10TH FLOOR  
ATLANTA, GEORGIA 30345-3205

PRSRT STD  
US POSTAGE PAID  
LANCASTER PA  
PERMIT NO. 123

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